Analysis Of The Influence Of Market Share Of Islamic Commercial Banks In Indonesia: Microeconomic And Macroeconomic Indicators

Anggi Puspita Sari 1

1Universitas Islam Negeri Raden Mas Said Surakarta, Indonesia
Email: anggipuspitasari0520@gmail.com

Abstract
The intention of this study is to examine how macroeconomic factors, microeconomic indicators, the NPF Nett ratio, and Third Party Funds (DPK) affect the growth of the market share of Islamic commercial banks in Indonesia from 2016 to 2023. The Financial Services Authority's Islamic Banking Statistics statistics are available on the official website www.ojk.go.id, which is the study's information source. One of the criteria utilized in this study is Islamic Commercial Banks that have constantly been registered with the Financial Services Authority (OJK) between 2016 and 2023. In this study, data are processed and Classical Assumptions are tested using the Least Square (LS) method. Research of this kind is quantitative. The results of this study indicate that the macroeconomic indicators are the inflation and interest rate variables, FDR, ROA, BOPO, and NPF Nett statistically have no influence, but implies that the NOM, CAR, and DPK variables statistically have influence on the market share of Islamic Commercial Banks in Indonesia in the period 2016-2023.

Keywords: Microeconomic; Macroeconomic; NPF Nett; DPK; Market Share

Introduction
The Indonesian Islamic banking sector has been operating since 1992, but progress has been extremely sluggish. The Asian region's (including Indonesia's) 1998 economic crisis brought a boon for the Islamic banking sector (Mala et al., 2023). While many conventional banks were badly damaged, the few Islamic institutions at the time, specifically Bank of Muamalat Indonesia, were able to weather the crisis. Following the crisis, Indonesia's banking system started to
adopt a dual banking system. A new law is Act No. 21 of 2008 governing the Indonesian Islamic banking sector was passed in 2008. Following the passage of this Act, Indonesia's Islamic banking sector grew quickly (Nur Rianto Al Arif & Rahmawati, 2018).

The national banking system, which is a vital component of the economy, includes the Islamic banking sector has a significant impact on the economy (Nizar. H. Hadi, 2020). Among other things, Islamic banking plays the role of an adhesive for new nationalism, facilitating populist business networks, empowering the people's economy, reducing financial market speculation, promoting income distribution, and improving the effectiveness of fund mobility. Given the significance of Islamic banking's role and function in Indonesia, Islamic banks must perform better if they are to develop banking that adheres to sharia principles in a healthy, effective, and efficient manner (Hidayat & Trisanty, 2020).

The market share ratio may be used to assess how Indonesia's relatively new Islamic banks are performing. In Indonesia, the more market share Islamic banks have, the more they contribute to the country's economy. (Saputra, 2016). According to the Financial Services Authority (OJK), Indonesian Islamic banking have a 7.03 percent market share as of August 2022. For the market share to increase, Islamic banks like BUS (Islamic Commercial Bank) must function well. Analyzing Islamic banks' financial accounts will reveal how well they are performing as a business should (Banerjee et al., 2022). Analysis of this financial performance, which reflects the wellbeing of Islamic banks, is predicted to aid in increasing the market share of Islamic commercial banks in Indonesia. (Al Arif et al., 2023).

**Figure 1. Annual Total Asset of Islamic Commercial Banks from 2016 to 2023**
Analysis Of The Influence Of Market Share Of Islamic Commercial Banks In Indonesia: Microeconomic And Macroeconomic Indicators

Source: (Sharia Banking Statistics, 2016-2023, data processed 2023)

In reference to this figure, it can be seen that the assets of Islamic Commercial Banks have increased significantly every year. The highest percentage increase in assets the highest percentage increase occurred in 2022. With a percentage figure of 17.88%. Then returned to experience high increase again in 2020-2021. The percentage of assets in Islamic Commercial Banks at that time increased by 16.01% in 2020, which increased in 2021 with a percentage of 17.82%, with an increase of 0.81%. On the other side, assets in Islamic Commercial Banks in 2016 were the lowest, which was only 10.25%.

Theoretically, Islamic banking should be able to make a significant contribution to the local financial industry the national banking scene (Syachfuddin & Rosyidi, 2020). This is due to the fact that Islamic banks are thought to have a character that can satisfy the demands of economically marginalized actors, particularly due to their system that forbids charging interest on loans and requiring collateral (Hidayat & Trisanty, 2020). In addition, Indonesia has the biggest Muslim population in the world, making it a captive market. The potential of Islamic banks to boost the national economy during times of crisis has also been demonstrated, in part because of their focus on the real estate industry (Nurboja & Košak, 2019). Regardless of certain conditions, Islamic banks should have a larger market share in Indonesia than conventional banks because of the country's majority-Muslim population (Nizar. H. Hadi, 2020).
Based on study namely (Hidayat & Trisanty, 2020) The variables financing to deposit ratio, third-party funds, and ratio all have an impact on the market share of Islamic banking in Indonesia from 2011 to 2015, but the other four variables return on assets, non-performing financing, capital adequacy ratio, and operating expenses to operating income do not. According to (Saputra, 2016) Market Share is significantly impacted favourably by ROA, CAR, and FDR. NPF and REO, on the other hand, significantly reduce market share.

According to (Rizal & Humaidi, 2019) research, the return on assets of Islamic banking in Indonesia is significantly affected by three different factors at once, namely inflation, exchange rates, and gross domestic product. Return on Assets of Islamic banking in Indonesia is influenced by several variables, but only the Gross Domestic Product variable has a positive and substantial impact. The exchange rate and inflation have no real influence (Hidayat & Trisanty, 2020) The market share of Islamic banking in Indonesia is still rather tiny, according to a study on the country’s market share. The internal elements of Islamic banks, the external elements of the government, regulators, and society are the three pillars on which the low market share and improvement strategies of Islamic banks are founded.

Based on the aforementioned research gap, the author is interested in conducting research on analysing the impact of microeconomic indicators such as financial ratios of liquidity (FDR), profitability (ROA, BOPO, NOM), solvency (CAR), NPF Nett ratio, and Third Party Funds (DPK) on the growth of Islamic commercial banks' market share in Indonesia. In this instance, the author undertakes a study to determine if macroeconomic indicators, microeconomic factors, NPF Nett Ratio, and Third Party Funds (DPK) have an impact on the rise in the market share of Islamic commercial banks in Indonesia from 2016 to 2023.

**Theoretical Foundation and Methodology**

**Behavioural Structure Theory Performance Paradigm**

The structural Conduct Performance (SCP) paradigm in industrial economics makes connections between market structural factors and industry
conduct and performance. Industrial economics has a paradigm that links certain elements of market structure to the operations and outcomes of an enterprise. (Nur Rianto Al Arif & Rahmawati, 2018). Market structure is related to structure, which is often assessed by the market concentration ratio. When a ratio known as the market concentration ratio is used to assess the distribution of market share within an industry (Al Arif et al., 2023). The term "conduct" describes how businesses in an industry act. When it comes to pricing, promotion, and manufacturing, this behaviour is either competitive or collusive (Hidayat & Trisanty, 2020).

**Macroeconomic**

**Inflation**

The general rise in prices of products, commodities and services over time is referred to as inflation. Due to the decline in the value of monetary units for commodities, inflation can be viewed as a money phenomenon. Price indices can be used to calculate the inflation rate (Aminah et al., 2019). The price index that is always used to determine the inflation rate is the consumer price index (CPI). The CPI may be calculated using the formula below. (O. Saputri & Hannase, 2021).

\[
\text{Inflation Rate} = \frac{\text{Tingkat harga}_t - \text{Tingkat harga}_{t-1}}{\text{Tingkat harga}_{t-1}} \times 100\%
\]

H1: The market share of Islamic commercial banks is significantly positively impacted by inflation.

**Interest Rate**

On 19 August 2016, Indonesia established a new benchmark interest rate policy known as the BI 7 Days Repo Rate or BI7DRR. In an effort to strengthen the monetary operational framework, Bank Indonesia replaced the previous policy, the BI Rate, with the BI 7 Days Repo Rate. The Bank Indonesia Board of Governors Meeting (RDG) resolved to keep the BI 7-Day Reverse Repo Rate (BI7DRR), the deposit facility rate, and the loan facility rate at 5.75%, 5.00%, and 6.50%, respectively. The decision to keep the BI7DRR at 5.75% is consistent with the stance of monetary policy to ensure that inflation stays under control within
the target range of 3.01% in the remaining months of 2023 and 2.51% in 2024. (Nur Rianto Al Arif & Rahmawati, 2018).

H: The impact of interest rates on Islamic commercial banks’ market share is quite beneficial.

Financial ratios

Financial ratios are necessary to examine and evaluate the company's performance, which is one sort of accounting information, in order to reflect the company's financial status and the outcomes produced over time (Saputra, 2016). The findings from the calculation of these ratios can be used as benchmarks to assess the health level of the company during a certain financial period and to measure the financial success of the company during that time (Ardiani et al., 2021). Financial ratios can also be compared with the financial ratios of similar companies or with industry standards to help see differences. In this study, liquidity, profitability, solvency, and NPF Nett are the types of ratios used.

**Figure 2. Research Modelling**

![Figure 2. Research Modelling](image-url)
Liquidity Ratio

The liquidity ratio serves as a measure in determining the bank’s capacity to fulfill short-term financial responsibilities. FDR which measures the proportion of funds received by the bank to total funds disbursed is one of the liquidity ratios. An indication of a bank’s capacity is the FDR ratio. As more money is needed for financing, the liquidity capability of the bank is increased. needed for financing, the liquidity capacity of the bank decreases when the FDR ratio increases (Prijantoro et al., 2022).

Utilising mathematical formulas:

\[ FDR = \frac{Jumlah \ Pembiayaan}{Dana \ Pihak \ Ketiga} \times 100\% \]

Liquidity ratio provide by FDR is used as a factor affecting market share. Assuming that banks allocate their capital to financing efficiently, if this percentage rises within a certain range, more money will be diverted into financing, thus increasing the market share of Islamic banks. According to (Hidayat & Trisanty, 2020) research, the financing to deposit ratio variable has a significant value of 0.038 (0.038 0.05) which is in accordance with other studies. Assuming that banks use their money for efficient financing, the higher the FDR of Islamic banks within a certain range corresponds to greater bank profits, which ultimately leads to an increase in financing and results in a high market share for Islamic banks.

H3: The impact of FDR on Islamic commercial banks’ market share is quite favourable.

Profitability Ratio
The profitability ratio acts as a gauge for the bank's degree of profitability and general health. One of the ratios frequently used to gauge management effectiveness is the return on asset (ROA) variable. One way to determine ROA is to divide the bank's or company's total assets by its net income for a given year. (Muhammad Syafaat & Aditya Putra, 2020). ROA, a measure of profitability, is a factor that influences market share. The public will trust a bank with their money if its profitability increases significantly because they believe the profit sharing obtained will be quite profitable for them. As a result, the higher a bank's return on assets (ROA), the higher the level of profit it has achieved, and the better its performance and market share position. The research study conducted by (Saputra, 2016), demonstrates that ROA significantly increases Market Share.

Utilising mathematical formulas:

\[ \text{ROA} = \frac{\text{Laba sebelum pajak}}{\text{Total Asset}} \times 100\% \]

\( H_4 \): The impact of ROA on Islamic commercial banks' market share is quite favourable.

An indicator of a bank's operational efficiency is the ratio of operating expenses to operating income (BOPO) (Hidayat & Trisanty, 2020). BOPO contrasts the bank's operational income with its operating expenditures. Total interest expenditure and total other running expenses are added together to determine operational expenses. The BOPO ratio may therefore be used as a proxy for a bank's operational efficiency and have an impact on the bank's performance. The higher the level of a bank's BOPO ratio reflects the lower the efficiency of the bank as a result of the operating expenses incurred are not comparable to its operating income. Such a thing shows the bank's poor performance, as a result it can affect the profitability and market share of the bank which is getting lower. Research on Analysis of Islamic Banking Market Share in Indonesia by (Hidayat & Trisanty, 2020), Operating Costs do not significantly affect Operating Income.

Utilising mathematical formulas:

\[ \text{BOPO} = \frac{\text{Biaya Operasional}}{\text{Pendapatan Operasional}} \times 100\% \]

\( H_5 \): The impact of BOPO on the market share of commercial Islamic banks is negligible.
The bank's capacity to manage all of its productive assets in order to increase net income is measured by a ratio called net operating margin (NOM). (Syachfuddin & Rosyidi, 2020).

H6: The impact of NOM on the market share of Islamic commercial banks is quite favourable.

Solvency Ratio

Based on its correlation with the degree of bank risk, the capital indicator capital adequacy ratio (CAR) is employed as a factor that impacts market share. (Hidayat & Trisanty, 2020). The concept of capital adequacy refers to the supply of one's own capital necessary to protect against potential losses resulting from the movement of bank assets, the majority of which are financed by outside sources or the general public. A high capital ratio can safeguard depositors and boost community trust in the bank, both of which are expected to grow market share. The bank is better able to take on the risk associated with each hazardous loan or productive asset the higher the CAR. The bank can fund operational operations and significantly increase profits if the CAR value is high. In this instance, study of the market share for Islamic banking in Indonesia was done by (Saputra, 2016), demonstrates that CAR significantly increases market share. however, on the other side, analysis by (Hidayat & Trisanty, 2020) demonstrates that there is no discernible effect of the Capital Adequacy Ratio.

Utilising mathematical formulas:

\[
\text{CAR} = \frac{\text{Modal Bank}}{\text{ATMR (Aktiva Tertimbang Menurut Risiko)}} \times 100\%
\]

H7: CAR significantly increases the market share of commercial Islamic banks.

Non Performing Financing Nett Ratio

Non-Performing Financing (NPF) is a measure of the rate of return on public financing. The proportion of problematic loans that may not be repaid is shown by this ratio. (Mubarok, 2022). The attainment of a bank's market share is influenced by the state of its financial health. Due to the bank's solid management, customers would feel secure entrusting it with their money. Banks require finance management since, for Islamic banks, financing is their main source of revenue. In
this case, research on the analysis of Islamic banking market share in Indonesia conducted by (Saputra, 2016) and (Hidayat & Trisanty, 2020) shows that NPF Nett does not significantly affect market share. Utilising mathematical formulas:

\[
NPF = \frac{Pembayaran Bermasalah}{Total Pembayaran} \times 100\%
\]

H0: The impact of NPF Nett on the market share of Islamic commercial banks is negligible.

**DPK**

Third Party Funds (DPK) is a source of funds originating from the public which is thought to increase if influenced by several factors including, the more office networks that reach customers, and promotions. In banking operations, DPK is a source of liquidity that is expected to facilitate financing on the asset side of a bank's balance sheet. So that the more DPK that is successfully collected by the bank, the more financing the bank can channel. Therefore, the more the amount of deposits that can be gathered, the greater the market share of Islamic banking for national banking will be. (O. B. Saputri, 2021).

H0: The impact of DPK on the market share of Islamic commercial banks is quite favourable.

**Market Share Of Islamic Commercial Banks**

Market share is the percentage of revenue in an industry that a company controls, either for products or services. Market share studies reveal marketing success as it relates to a company's industry competitiveness (Hidayat & Trisanty, 2020). Each company's market share varies and might be anything between 0% and 100% of the total market output. According to the Neo-Classical literature, a firm's negotiating position is built on the market share it has achieved. Having a significant market share in the sector is the driving force or goal of the company. Product sales and share price increases will be favourable for companies that have a sizeable market share. Since it generates high economies of scale, the gains from market share indicate superior market power or efficiency. Conversely, companies that have a low market share cannot compete.
Secondary quantitative data was used in this study, and the independent variables included macroeconomic indicators like inflation and interest rates, as well as microeconomic indicators like financial ratios of liquidity (FDR), profitability (ROA, BOPO, NOM), solvency (CAR), NPF Nett ratio, and Third Party Funds (DPK). The dependent variable is the market share of Indonesian Islamic commercial banks. The official website www.ojk.go.id, which served as the study's information source, hosts the Financial Services Authority's Sharia Banking Statistics data. One of the criteria considered in this study is Islamic Commercial Banks that are regularly registered with the Financial Services Authority (OJK) from 2016 to 2023. Researchers can utilize the data in the paper to carry out this study. The Least Square (LS) method was used in this research study to process data and test Classical Assumptions using multiple linear regression tests (Multicollinearity, Autocorrelation, Heteroscedasticity, Normality, and Linearity) and multiple linear regression were also tested. Multiple linear regression was also tested (Priadana & Sunarsi, 2021).

The regression model is as follows:

\[
\text{Market Share} = \alpha + \beta_1 \text{Inflation}_t + \beta_2 \text{Interest Rate}_t + \beta_3 \text{FDR}_t + \beta_4 \text{ROA}_t + \beta_5 \text{BOPO}_t + \beta_6 \text{NOM}_t + \beta_7 \text{CAR}_t + \beta_8 \text{NPF Nett}_t + \beta_8 \text{DPK}_t
\]

Description:

\(Y\) = dependent variable
\(\alpha\) = Constanta
\(\beta_1\) = regression coefficient

Results

Classical Assumption Test

2.1. Multicollinearity Test

A multicollinearity test may be used to determine whether the correlation between the independent variables is a fundamental model of regression. The presence of multicollinearity symptoms in research can be concluded if the research findings reveal a correlation between independent variables.
Table 1. Correlation

<table>
<thead>
<tr>
<th></th>
<th>Market Share</th>
<th>Inflasi</th>
<th>Interest Rate</th>
<th>FDR</th>
<th>ROA</th>
<th>BOPO</th>
<th>NOM</th>
<th>CAR</th>
<th>NPF Nett</th>
<th>DPK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Share</td>
<td>1.000</td>
<td>0.206</td>
<td>-0.231</td>
<td>-0.723</td>
<td>0.812</td>
<td>-0.860</td>
<td>0.867</td>
<td>-0.102</td>
<td>-0.920</td>
<td>-0.413</td>
</tr>
<tr>
<td>Inflasi</td>
<td>0.206</td>
<td>1.000</td>
<td>0.432</td>
<td>0.135</td>
<td>0.058</td>
<td>-0.218</td>
<td>0.256</td>
<td>0.018</td>
<td>-0.065</td>
<td>0.160</td>
</tr>
<tr>
<td>Suku Bunga</td>
<td>-0.231</td>
<td>0.432</td>
<td>1.000</td>
<td>0.474</td>
<td>-0.148</td>
<td>0.059</td>
<td>-0.055</td>
<td>0.010</td>
<td>0.275</td>
<td>0.318</td>
</tr>
<tr>
<td>FDR</td>
<td>-0.723</td>
<td>0.135</td>
<td>0.474</td>
<td>1.000</td>
<td>-0.712</td>
<td>0.598</td>
<td>-0.682</td>
<td>0.221</td>
<td>0.758</td>
<td>0.563</td>
</tr>
<tr>
<td>ROA</td>
<td>0.812</td>
<td>0.058</td>
<td>-0.148</td>
<td>-0.712</td>
<td>1.000</td>
<td>-0.908</td>
<td>0.962</td>
<td>-0.221</td>
<td>-0.862</td>
<td>-0.477</td>
</tr>
<tr>
<td>BOPO</td>
<td>-0.860</td>
<td>-0.218</td>
<td>0.059</td>
<td>0.598</td>
<td>-0.908</td>
<td>1.000</td>
<td>-0.903</td>
<td>0.185</td>
<td>0.855</td>
<td>0.466</td>
</tr>
<tr>
<td>NOM</td>
<td>0.867</td>
<td>0.256</td>
<td>-0.055</td>
<td>-0.682</td>
<td>0.962</td>
<td>-0.903</td>
<td>1.000</td>
<td>-0.189</td>
<td>-0.879</td>
<td>-0.434</td>
</tr>
<tr>
<td>CAR</td>
<td>-0.102</td>
<td>0.018</td>
<td>0.010</td>
<td>0.221</td>
<td>-0.221</td>
<td>0.185</td>
<td>-0.189</td>
<td>1.000</td>
<td>0.068</td>
<td>0.137</td>
</tr>
<tr>
<td>NPF Nett</td>
<td>-0.920</td>
<td>-0.065</td>
<td>0.275</td>
<td>0.758</td>
<td>-0.862</td>
<td>0.855</td>
<td>-0.879</td>
<td>0.068</td>
<td>1.000</td>
<td>0.480</td>
</tr>
<tr>
<td>DPK</td>
<td>-0.413</td>
<td>0.160</td>
<td>0.318</td>
<td>0.563</td>
<td>-0.477</td>
<td>0.466</td>
<td>-0.434</td>
<td>0.137</td>
<td>0.480</td>
<td>1.000</td>
</tr>
</tbody>
</table>

Source: (Eviews 8 output result, data processed 2023)

Table 1. The multicollinearity test determined the correlation value to be 0.206, -0.232, -0.723, 0.812, -0.860, 0.867, -0.102, -0.920, -0.423 0.9 (the correlation value that may be accepted in the multicollinearity test) based on the study findings. As a result, it can be claimed that this study's variables do not have issues with multicollinearity.

Table 2. Variance Inflation Factors

Variance Inflation Factors
Date: 10/01/23 Time:15:32
Sample:2016M07 2023M06
Included observation: 83

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient Variance</th>
<th>Uncentered VIF</th>
<th>Centered VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>0.673</td>
<td>4902.1</td>
<td>NA</td>
</tr>
</tbody>
</table>
2.2. Autocorrelation Test

To ascertain if the residuals from one observation and other data in the regression model are associated, the autocorrelation test is utilized. A test for autocorrelation that determines if there is autocorrelation in the residuals is the Durbin-Watson test. The Durbin Watson (DW) test is used to determine the presence of autocorrelation under the following circumstances: a) Positive autocorrelation is present if the DW number is less than -2. b) The absence of autocorrelation is shown if the DW value is between -2 and +2. d) There is positive autocorrelation if the DW is higher than +2.

**Table 3. Autocorrelation Test**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean dependent var</td>
<td>4.124</td>
</tr>
<tr>
<td>S.D. dependent var</td>
<td>0.360</td>
</tr>
<tr>
<td>Akaike info criterion</td>
<td>-1.152</td>
</tr>
<tr>
<td>Schwarz criterion</td>
<td>-1.123</td>
</tr>
<tr>
<td>Hannan-Quinn crite</td>
<td>-1.140</td>
</tr>
<tr>
<td>Durbin-Watson stat</td>
<td>1.037</td>
</tr>
</tbody>
</table>

Source: (Eviews 8 output result, data processed 2023)
Table 3. Based on the research findings, the Durbin-Watson statistic value for this study was 1.037. As a result, it may be concluded that the study's variables have no issues with autocorrelation.

2.3. **Heteroscedasticity Test**

To ascertain if the outcomes of the conventional assumption test are accurate, the heteroscedasticity test is utilized. Heteroscedasticity is defined as the variance of the variance of the residuals for each observation in the regression model. The regression model demands that there be no signs of heteroscedasticity in this instance. Heteroscedasticity Test: A sample's heteroscedasticity may be determined using ARCH. Heteroscedasticity is present if the prob value is less than 0.05; if it is more than 0.05, no symptoms are felt.

<table>
<thead>
<tr>
<th>Table 4. Heteroskedasticity Test: ARCH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heteroskedasticity Test: ARCH</td>
</tr>
<tr>
<td>F-statistic</td>
</tr>
<tr>
<td>Obs*R-squared</td>
</tr>
</tbody>
</table>

Source: (Eviews 8 output result, data processed 2023)

Table 4. The heteroskedasticity test utilizing the Heteroskedasticity Test: ARCH technique determined that the prob value is 0.052>0.05 based on the study findings. As a result, it can be argued that the study's variables have no issues with heteroscedasticity.

2.4. **Normality Test**

The normality test's goal is to establish the regularity of the distribution of the regression model's standardised residual values. The Normal Probability Analysis's graphical approach To do this, a plot graphical analysis technique might be employed. If the residual values are evenly distributed, the data line will eventually converge to the diagonal line.

<table>
<thead>
<tr>
<th>Table 5. Normal Probability Plot</th>
</tr>
</thead>
</table>

14 | Vol. 04 No. 02 November 2023
Table 5. In accordance with the findings of the normality test in this study, which was conducted using the Normal Probability Plot graph analysis approach, the probability value of jarque-bera, which was based on the research results, is $0.658 > 0.05$, which suggests that the residual data in this study are normally distributed. The graph analysis method known as the Normal Probability Plot was used for this study.

2.5. Linearity Test

A linearity test is utilized to ascertain if the independent variable is linear to the dependent variable. Ramsey RESET An independent variable’s relationship to the dependent variable can be determined through test analysis. The independent variable is not linear with the dependent variable if the prob value is less than 0.05, but it is linear if it is larger than 0.05.

Table 6. Ramsey RESET Test

<table>
<thead>
<tr>
<th>RamseyRESET Test</th>
<th>Equation: UNTITLED</th>
<th>Omitted Variables: Squares of fitted values</th>
<th>Specification : Market Share C Inflasi Sukubunga FDR ROA BOPO NOM CAR NPFNett DPK</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Value</td>
<td>Df</td>
<td>Probability</td>
</tr>
<tr>
<td>t-statistic</td>
<td>1.162</td>
<td>72</td>
<td>0.248</td>
</tr>
</tbody>
</table>
Table 6. Because the p value in the probability column of the F-statistic row is greater than the alpha level of 0.05 and the linearity test of this study, which was conducted with the Ramsey RESET Test analysis approach, is known to be linear with the bond variable based on the research findings.

2.6. **Multiple Linear Regression Analysis Test**

**Table 7. Least Square**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>9.108</td>
<td>0.820</td>
<td>11.101</td>
<td>0.000</td>
</tr>
<tr>
<td>Inflasi</td>
<td>-0.027</td>
<td>0.019</td>
<td>-1.423</td>
<td>0.156</td>
</tr>
<tr>
<td>Suku bunga</td>
<td>-0.047</td>
<td>0.018</td>
<td>-2.530</td>
<td>0.013</td>
</tr>
<tr>
<td>FDR</td>
<td>-0.016</td>
<td>0.005</td>
<td>-2.859</td>
<td>0.005</td>
</tr>
<tr>
<td>ROA</td>
<td>-0.835</td>
<td>0.152</td>
<td>-5.128</td>
<td>0.000</td>
</tr>
<tr>
<td>BOPO</td>
<td>-0.035</td>
<td>0.006</td>
<td>-5.589</td>
<td>0.000</td>
</tr>
<tr>
<td>NOM</td>
<td>0.565</td>
<td>0.123</td>
<td>4.596</td>
<td>0.000</td>
</tr>
<tr>
<td>CAR</td>
<td>1.920</td>
<td>7.830</td>
<td>1.244</td>
<td>0.043</td>
</tr>
<tr>
<td>NPF Nett</td>
<td>-0.159</td>
<td>0.045</td>
<td>-3.481</td>
<td>0.000</td>
</tr>
<tr>
<td>DPK</td>
<td>0.005</td>
<td>0.002</td>
<td>2.320</td>
<td>0.019</td>
</tr>
</tbody>
</table>

R-squared     | 0.921       | Mean dependent var | 4.124 |
Adjusted R-squared | 0.912 | S.D. dependent var | 0.360 |
S.E. of regression | 0.106 | Akaike info criterion | -1.523 |
Sum squared resid  | 0.831 | Schwarz criterion | -1.232 |
Analysis Of The Influence Of Market Share Of Islamic Commercial Banks In Indonesia: Microeconomic And Macroeconomic Indicators

<table>
<thead>
<tr>
<th>Log likelihood</th>
<th>73.242</th>
<th>Hannan-Quinn criter</th>
<th>-1.406</th>
</tr>
</thead>
<tbody>
<tr>
<td>F-statistic</td>
<td>95.530</td>
<td>Durbin-Watson stat</td>
<td>1.037</td>
</tr>
<tr>
<td>Prob (F-statistic)</td>
<td>0.000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: (Eviews 8 output result, data processed 2023)

2.6.1. **Multiple Linear Regression Equation Model**

According on the outcomes of the data regression analysis test mentioned above, the following regression equation may be generated for this study:

\[ \text{Market Share} = \alpha + \beta_1 \text{Inflation}\ + \beta_2 \text{Interest Rate}\ + \beta_3 \text{FDR}\ + \beta_4 \text{ROA}\ + \beta_5 \text{BOPO}\ + \beta_6 \text{NOM}\ + \beta_7 \text{CAR}\ + \beta_8 \text{NPF Nett}\ + \beta_9 \text{DPK} \]

\[ \begin{align*}
\text{Market Share} &= 9.108 - 0.027X1 - 0.047X2 - 0.016X3 - 0.835X4 - 0.035X5 + 0.565X6 + 1.920X7 - 0.159X8 + 0.005X9 \\
\end{align*} \]

Coefficient of determination (\(R\)-Squared) = 0.921

Adjusted R square = 0.912

According to the aforementioned data processing findings, an adjusted R-squared value of 0.912, or 91.2%, was found. This indicates that macroeconomic indicators, such as inflation and interest rates, financial ratios of liquidity (FDR), profitability (ROA, BOPO, NOM), solvency (CAR), NPF Nett ratio, and Third Party Funds (DPK), have an influence of 100% - 91.2%, or 8.8%, on the development of Islamic commercial banks' market share in Indonesia.

The findings of the F test may be observed from the prob (F-statistics) based on the results from the aforementioned results. The data's findings demonstrated that the prob value (F statistic) was below 0.05. It follows that the independent variable will have an impact on the growth of Islamic commercial banks' market share in Indonesia between 2016 and 2023.

**Discussion**

**Effect of Macroeconomics on the development of Islamic commercial bank market sharing in Indonesia**
The data in the table above shows the outcomes of the significance value of the t test results against the Inflation dan interest rates variable were obtained, which was 0.156 and 0.013. Then by comparing based on the comparison of t-statistic with t table, with the result of t-statistic value of inflation (-1.423) and interest rates (-2.530) then t table obtained of 1.666, then t-statistic < t table. The value of the coefficient is inflation (-0.027) and interest rates (-0.047) which is negative. This implies that the inflation and interest rate variables statistically have no influence on the market share of Islamic Commercial Banks in Indonesia in the period 2016-2023. Therefore, the statements H1 and H2 are denied.

Based on a research study conducted by (Rizal & Humaidi, 2019), Inflation has no influence on ROA, according to the partial test findings (t test) between the inflation variable and ROA, which reveal a t value of -0.458, a regression coefficient of -0.009, and a probability value of 0.650 that is larger than 0.05. The first hypothesis, which claims that inflation has a major negative effect on ROA, is not supported by the findings of this study, and it may thus be concluded that inflation has no significant influence on ROA. Interest rates and inflation have little impact on how profitable Indonesian Islamic banking is. This indicates that even though inflation has grown, Islamic banks' profits have not greatly fallen. This finding demonstrates how inflation-resistant Islamic banks are.

**Effect of Microeconomics on the development of Islamic commercial bank market sharing in Indonesia**

The data in the table above shows the outcomes of the significance value of the t test results against the liquidity ratio is FDR (0.005), rentability ratio are ROA (0.000), BOPO (0.000), and NOM (0.000), solvability ratio is CAR (0.043). Then by comparing based on the comparison of t-statistic with t table, with the result of t-statistic value of liquidity ratio is FDR (-2.859), rentability ratio are ROA (-5.128), BOPO (-5.589), and NOM (4.596), solvability ratio is CAR (1.244) then t table obtained of 1.666, therefore t-statistic (FDR, ROA, BOPO) < t table other section t-statistic (NOM, CAR) > t-table. The value of the coefficient is FDR (-0.016), ROA (-0.835), BOPO (-0.835) which is negative. Then the coefficient is NOM (0.565) which is positive. This implies that the FDR, ROA,
and BOPO variables statistically have no influence on the market share of Islamic Commercial Banks in Indonesia in the period 2016-2023. But implies that the NOM and CAR variables statistically have influence on the market share of Islamic Commercial Banks in Indonesia in the period 2016-2023. Therefore, the statements H3 and H4 are denied, the statements H5, H6, H7 are accepted.

**Effect of NPF Nett on the development of Islamic commercial bank market sharing in Indonesia**

The data in the table above shows the outcomes of the significance value of the t test results against the NPF Nett variable were obtained, which was 0.000. Then by comparing based on the comparison of t-statistic with t table, with the result of t-statistic value of NPF Nett (-3.481) then t table obtained of 1.666, then t-statistic < t table. The value of the coefficient is inflation (-0.159) which is negative. This implies that the NPF Nett variables statistically have no influence on the market share of Islamic Commercial Banks in Indonesia in the period 2016-2023. Therefore, the statements H8 is accepted.

The findings of this research Banks require finance management since, for Islamic banks, financing is their main source of revenue. In this instance, study of the market share for Islamic banking in Indonesia was done by (Saputra, 2016) and (Hidayat & Trisanty, 2020) demonstrates that market share is not considerably impacted by NPF Nett. Banks require financing management since, for Islamic banks, the financing function is the main source of income. The rise in bank market share is also influenced by the NPF, or level of financial health. Large amounts of non-performing debt may prevent companies from making money from the funding they have received, which might have a negative impact on their market share. As a result, market share would decline the higher the NPF.

**Effect of DPK on the development of Islamic commercial bank market sharing in Indonesia**

The data in the table above shows the outcomes of the significance value of the t test results against the DPK variable were obtained, which was 0.019. Then by comparing based on the comparison of t-statistic with t table, with the
result of t-statistic value of NPF Nett (2.320) then t table obtained of 1.666, then t-statistic > t table. The value of the coefficient is inflation (0.005) which is positive. This implies that the DPK variables statistically have influence on the market share of Islamic Commercial Banks in Indonesia in the period 2016-2023. Therefore, the statements H9 is accepted.

This demonstrates how the growth of Islamic banking assets and the expansion of their market share are both impacted by the gathering of outside money. Economically speaking, Islamic banking has a high enough DPK to boost Islamic banking assets and hence grow Islamic banking's market share. The Third Party Fund (DPK) variable has a significant value of 0.000 (0.000 0.05), according to the variable test findings. These findings support the basic hypothesis, which contends that the DPK variable significantly increases market share (Hidayat & Trisanty, 2020).

Conclusion

According to the study's findings, the market share of Islamic Commercial Banks in Indonesia from 2016 to 2023 would not be statistically affected by the macroeconomic indices of inflation and interest rates. Interest rates and inflation have little impact on how profitable Indonesian Islamic banking is. This indicates that even though inflation has grown, Islamic banks' profits have not greatly fallen. Microeconomic indicators in the form of financial ratios, such as the FDR, ROA, and BOPO variables, therefore suggest that the market share of Islamic Commercial Banks in Indonesia from 2016 to 2023 will not be statistically influenced by them, but rather by the NOM and CAR variables. According to statistics, the NPF Nett factors have no impact on the market share of Islamic Commercial Banks in Indonesia between 2016 and 2023. Large amounts of non-performing debt may prevent companies from making money from the funding they have received, which might have a negative impact on their market share. As a result, market share would decline the higher the NPF. In terms of statistics, the DPK factors have an impact on the market share of Islamic Commercial Banks in Indonesia from 2016 to 2023. This demonstrates how the growth of Islamic
banking assets and the expansion of their market share are both impacted by the gathering of outside money.

**Suggestion**

It is envisaged that future study would compare and ascertain the degree of health across Islamic banks, namely in the form of Islamic Commercial Banks, Islamic Business Units, and Islamic BPR Banks, in light of researchers' restrictions to analyse and gather data on additional Islamic banks. Thus, all of the benefits and drawbacks of every Islamic bank may be identified and utilized as assessment criteria.

**Bibliography**


